GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1258
ANSWERED ON:08.03.2002
SHORTAGE OF COINS AND SMALLER DENOMINATION NOTES
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Will the Minister of FINANCE be pleased to state:

(a) whether the coins and notes of small denomination are not available sufficiently in the various parts of the country;

(b) if so, the reasons therefor; and (

(c)the steps being taken by the Government to improve the availability of such currency notes and coins in each State ?

Answer

MINISTER OF STATE IN MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) There are reports about shortage of coins in some parts of the country. However, there is no shortage of Bank notes in the denomination of Rs.10/- and above. Printing of Bank notes of Rs.5 denomination has also been resumed during the current year for meeting the demand of smaller denomination notes.

(b) There has been significant increase in the demand for coins during recent years. As against a demand of 6500 million pieces (MPCs)of coins during 2001-2002, the four India Government Mints at Mumbai, Kolkata, Hyderbad and Noida have an aggregate capacity to produce 3700 MPCs of coins per year, thereby resulting in shortages.

(c) The Government has taken a number of steps to address the problem of shortage of coins in the country, which, inter alia, include the following :

i) The India Government Mints at Mumbai, Hyderabad and Kolkata have been modernised.

ii) The Bank note of Rs.5 denomination has been reintroduced during the current year to meet the shortage of Rs.5 coins.

iii)The coins in denomination of Re.1, Rs.2 and Rs.5are also being imported to meet the gap between demand and supply of coins in the country.

iv) The Regional Offices of Reserva Bank of India (RBI) are regularly supplying the coins/notes to their Currency Chests to ensure equitable distribution of coins/notes in the country.